IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.
COMPANY PETITION NO.11 OF 2007

In the matter of a Scheme of Arrangement between Laser Shaving Products Pvt. Ltd. & Laser Engg. Pvt. Ltd.

Laser Shaving Products Pvt.Ltd. ... Petitioner.

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Mr. P.K. Diwan i/b. Kanga & Co. for the Petitioners.
Mr. C.J. Joy with Ms. Bharati Mahant, Regional Director.
Mrs. K.V. Gautam, Dy. Official Liquidator.

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CORAM : DR. D.Y.CHANDRACHUD,J.

23rd March 2007.

P.C. :

. A scheme of arrangement was sanctioned in exercise of powers conferred under Sections 391 and 394 of the Companies Act, 1956, by an order dated 22nd June 2006 passed by a learned Single Judge, S.J. Vazifdar, J. The scheme of arrangement contemplated the transfer of two undertakings belonging to the Petitioner in Company Petition 232 of 2006 to the Petitioner in Company Petition 233 of 2006. Company Petition 11 of 2007 has been instituted before the Court in effect to seek a modification of the scheme as sanctioned by the Court and, in order to effectuate that purpose,

to recall the order dated 22nd June 2006

(as corrected on 11th July 2006). Since brother S.J. Vazifdar, J. has presently been assigned as a Visiting Judge at Aurangabad Bench, in exercise of the jurisdiction of the Company Judge, these Petitions have come up before this Court.

2. In paragraph 16 of the Company Petition, it has been stated that under the previous scheme of arrangement, the liabilities in respect of the immovable properties at Hyderabad and Ballabhgarh were to be taken over by the resulting company. As a result, the resulting company was to discharge the liabilities in respect of the two immovable properties aggregating to Rs.8,52,81,251/-. It has been stated that this would have caused a financial burden on the resulting company making it virtually impossible for the company to benefit from the provisions of the previous scheme, due to low margins on the products being manufactured by the two undertakings. Under the present scheme, the immovable properties of the demerged company are to be used by the resulting company on terms and conditions as agreed between the demerged company and the resulting company.

3. It has been stated that the shareholders of both the parties are same and are 4 in number, belonging to the same family. No outsider is interested in either the demerged company or the resulting company. In so far as the creditors are concerned, more than 94.5% of the creditors of companies have been shareholders of the same family as a result of which, no third party or outsider would be prejudiced by the present scheme of arrangement.

4. The necessary statutory compliances required have been duly fulfilled. The Regional Director has stated before the Court that there is no objection to the scheme of arrangement as modified company since it would not be contrary to the public interest. There is no objection either on the part of the shareholders or creditors.

5. In these circumstances, there is no reason why the reliefs as sought in the Company Petition should not be granted.

6. The Company Petition is accordingly made absolute in terms of prayer clauses (a) to (d) and (h).